PROSPECTUS

OF

The Midland & North Shore Lumbering and General Manufacturing Company,

(LIMITED.)

A Company incorporated under "The Ontario Joint Stock Companies' Letters Patent Act," with an authorized capital of $1,000,000, for the purpose of amalgamating and consolidating the lumbering interests hereinafter mentioned, and for the working of the same, and for the general manufacture of lumber and other products, in accordance with the powers given to, and conferred on said Company by the Charter thereof.

For the purposes aforesaid there have been amalgamated and consolidated, the lumbering and pine timber properties following :—

1st. The ULLYOT, SADLER & COMPANY pine timber limits, mill, and properties, (for particulars of which see page 1).

2nd. The SMITH & MCDOUGALL pine timber limits and properties, (for particulars of which see page 2).

3rd. The GIBBS & BEATTY pine timber limits and properties, (for particulars of which see page 2).

DESCRIPTION IN DETAIL OF THE FOREGOING PROPERTIES.

1. The "ULLYOT, SADLER & COMPANY" property, owned and worked by Dalton Ullyot of Peterborough, William Needler and Thomas Sadler of Lindsay, and Robert Charles Smith of Port Hope, consists of :

(a). A large steam saw-mill, situated at Harwood, on Rice Lake, in the County of Northumberland and Province of Ontario. This mill contains 5 gates, (viz., 2 slabbers, 2 gangs and 1 yankee), together with edgers, trimmers, lath and picket mills, &c., &c., and is capable of cutting 200,000 feet in every 24 hours. It is driven by four engines, two of which are direct attachment engines, each of 35 horse-power, a third of 20 horse-power, and a fourth of 55 horse-power, supplied by a battery of six large tubular boilers.

(b). To this property is attached 20 acres of land and 13 tenement houses, and the property is connected with the Cobourg, Peterborough & Marmora Railway by tracks and switches. The mill has booms for the stowage of a large number of logs, and along with the property is a large quantity of plant, consisting of 35 horses, sleighs, wagons, and all the requisite material, appliances and outfit for carrying on a large and extensive lumber business.

1881
(25)

(c). With the property is, besides the tenement houses, a storehouse and office in Peterborough.

(d). The pine timber limits consist of :

		Square Miles.	Acres.
(a.)	In the Township of Anson	11¾	7,520
(b.)	In the Township of Galway	23	14,720
(c.)	In the Township of Snowden	1	640
(d.)	In the Township of Harvey	5	3,200
(e.)	In the Township of Burleigh	38	24,320
(f.)	In the Township of Anstruther	38	24,320
		~~116¾~~ 116¾	74,720

☞ The above limits, from a recent reliable inspection, are estimated to contain **85,000,000 feet of good merchantable pine timber,** and in addition contain a large quantity of other woods valuable for Railway ties, poles, fence posts, agricultural implements, &c., &c., and these limits are easy of access and can be worked to advantage.

2. The "SMITH & MCDOUGALL" property, owned by Robert Charles Smith, of the town of Port Hope, and Malcolm McDougall, of the Village of Parry Harbour, in the district of Parry Sound, consists of :

(a.) Berth No. 90: 36 square miles on the White Fish River.
(b.) " 69 " " " "
(c.) " 40 " " Wahnipitæ "
(d.) " 46 " " " "
(e.) " 47 " " " "
(f.) " 52 " " " "
(g.) " 3 : 44 " " Sturgeon "
(h.) " 1 : 44 " " " "
(i.) From 30 to 40 acres comprising the part of the Village of Coponaning at the mouth of the French River, for a mill site.
(j). All the plant of the said Smith &McDougall.

☞These limits contain in all **304 square miles or 194,560 acres,** and are reported by a recent and careful inspection to **contain 200,000,000 feet.**

N. B.---The White Fish River enters Lake Huron on Georgian Bay, in the neighbourhood of Lacloche Island. The Wahnipitæ River enters the French River near its mouth on the Georgian Bay. The Sturgeon River enters Lake Nipissing. These rivers on which are these limits are large broad streams, and do not present any difficulty to successful and easy driving. There are good mill-sites on the White Fish and the French Rivers, and it is probable that the projected railway to the Sault Ste. Marie will run in close proximity to the greater portion of these limits.

3. The "GIBBS & BEATTY" PROPERTY, owned by the Honorable Thomas Nicholson Gibbs and James H. Beatty, the former of Oshawa, the latter of Thorold, embraces :

(a.) Berth No. 94 : 36 square miles, contiguous to the Vermilion River or the Spanish River.
(b.) " 102 " " " Spanish River
(c.) " 144 " " " Serpent "
(d.) " 145 " " " " "
(e.) " 151 " " " " "
(f.) " 163 " " " " "
(g.) " 176 " " " Mississauga River.
(h.) " 182 " " " " "

These limits contain in all **288 square miles, or 184,320 acres,** estimated to contain **175,000,000 feet.**

N. B.---The same that has been said of the White Fish, Wahnipitæ and Stur-

geon Rivers is reported of the Vermilion, Spanish, Serpent and Mississauga Rivers. They are fine, broad waters, and easy of driving.

RECAPITULATION OF LIMITS.

	Square Miles.	Acres.	Feet.
(a.) The "Ullyott, Sadler & Company's" limits..	116¾	74,720	85,000,000
(b.) The "Smith and McDougall" " ..	304	194,560	200,000,000
(c.) The "Gibbs and Beatty" " ..	288	184,320	175,000,000
	708¾	453,600	460,000,000

N. B.—The Company believe, for the reasons hereinafter given, (page 5), that the actual quantity cannot be less than 500,000,000 feet.

PRESENT VALUE OF PROPERTIES.

1. The "Ullyott, Sadler & Co." Property.

(a.) The mill property, mill plant, land and buildings.	$50,000	
(b.) The other plant.....	12,000	
(c.) The limits—85,000,000 feet @ $2 per 1,000 feet, stumpage,.....	$170,000	$232,000

2. The "Smith & McDougall" Properties.

(a). 200,000,000 feet of pine timber @ $1.50 per 1,000 feet, stumpage.....	———	300,000

3. The "Gibbs & Beatty" Properties.

(a.) 175,000,000 feet of pine timber @ $1.50 per 1,000 feet, stumpage.....	———	262,500
The present total value of the property, in its present shape, at present prices, with the pine growing and standing, is therefore.....		$794,500

When properly worked and managed the foregoing property is vastly more valuable, thus:

From the above limits 460,000,000 feet board measure of lumber can be obtained. After deducting all expenses of cutting, delivering at the mills and manufacturing the pine into lumber ready for market, it will yield a sure profit of $3.00 per 1,000 feet. Hence the value of the property, if properly worked and managed, is—

460,000,000 feet @ $3 per 1,000 feet profit	$1,380,000
" " 4 " "	1,840,000
" " 5 " "	2,300,000
" " 6 " "	2,760,000

N. B.—The profit per 1,000 feet on lumber, board measure, is not less than $4, and it reaches $5 and $6 per 1,000 feet profit.

But calculate at a profit of only $2 per 1,000 feet, and at that profit, obtained in times of depression, the value of the property, if properly worked, is—

460,000,000 feet @ $2 per 1,000 feet profit..... **$920,000**

Mem.—It is to be observed, too, that these values are outside of any value at all being put on the mills, mill-property, machinery, horses, plant, &c., &c., which necessarily would be most valuable.

The said Company has been formed for the purpose of working and realizing upon the said properties and limits; but, in order to do so, the Company requires capital, and therefore the several parties aforesaid have by instrument dated the Eighth day of August, A. D., 1881, agreed to sell to the above Company the above valuable and remunerative properties for the total sum of $375,000, according to the terms and conditions contained in said agreement, payable by cash to the amount of $187,500, and an allottment of stock in said Company to the amount of $187,500; the aforesaid parties thus themselves retaining one-half in stock in the said Company. There will, therefore, require to be raised (over and above a sum required for working capital) the said sum of $187,500. With a working capital from this source of (say) $125,000, there will require to be raised in money $312,500. The paid-up capital at these figures will then be $500,000.

☞ Attention is drawn to the fact that the aforesaid parties handing over to the Company the said properties for $375,000, the Company become the owners thereof at the exceptionally low figure of 81½ cents per 1,000 feet stumpage, *including* the mill property, mill-sites, plant, etc., etc.

The Company propose to cut 46,000,000 feet every year for 10 years, so as to clean the limits in 10 years' time from the commencement of operations.

Now a profit of $3 per 1,000 feet on a cut of 46,000,000 per year will realize each year.....		$138,000
OUT OF THIS		
Each year must be paid a dividend (say, 8 p. c.) on the paid-up Capital of $500,000.....	$40,000	
Also each year there must be laid aside a sum to form a Sinking Fund to repay the capital at the end of 10 years: the sum of $35,000, if laid aside each year for 10 years, will produce at 5 per cent. compound interest at the end of that time the sum of $497,237.37. To make sure provision let there be laid aside.....	$40,000	
Also each year put the cost of management (while it certainly should not exceed $12,000) at.....	$18,000	
		98,000
And a balance is left each year of..... after paying all dividends and expenses, and providing for Sinking Fund.		$40,000

It is proposed that "THE PETERBOROUGH REAL ESTATE INVESTMENT COMPANY" shall be the financial agents of the Company, and entrusted with the investment and management of the Sinking Fund.

COST OF MANUFACTURING BOARD LUMBER PER 1,000 FEET.

The following figures, showing the cost of manufacturing lumber, are taken from the prospectus of "The British and Canadian Lumbering and Timber Company," and are deemed accurate and reliable :—

Cutting and putting logs on ice	$2 50
Driving logs down stream and towing to mills	75
Crown dues	75
Sawing into lumber, piling and shipping	1 25
Loss in culls	25
Interest at 8 per cent. on $4 50 for one year	36
Contingencies	14
	$6 00

The following method of estimating the cost per 1,000 feet is preferred. The cost is increased, in order to be safe, and the loss in culls is omitted and provided for (see statement showing profit of $3,) at the price they would bring "as culls," and proportioning the culls at the large average of 250 feet to every 1,000 feet.

Cutting and putting logs on ice	$3 00
Driving logs down stream and towing to mills	1 00
Crown dues (always fixed)	75
Sawing, piling and shipping	1 30
Contingencies	15
Insurance per 1,000 feet for two months	05
Interest on money	33
	$6 58

STATEMENT SHOWING THE LOW PROFIT OF $3 PER 1,000 FEET.

750 feet of merchantable lumber @ $11.11 per M	$8 33
250 " cull " 5.00 "	1 25
	$9 58
Deduct above cost of manufacturing per M	6 58
Leaving the aforesaid profit of	$3 00

THE QUANTITY ON THE ABOVE LIMITS.

It will have been seen that the estimated quantity, and the quantity upon which the calculations are based, is **460,000,000.** But, if the method of calculating the quantity, adopted in the prospectus of "The British and Canadian Lumbering Company," is applied to these limits, it will be seen how much larger a quantity the foregoing limits really do in fact contain, because experience has conclusively proven that the quantity actually upon a limit far exceeds the quantity estimated by inspection. Thus, "4½ trees to the acre, each tree of 500 feet,"

	Acres.	Trees.	Feet.
When applied to Smith & McDougall's limits, makes	194,560	875,520	437,760,000
When applied to "Gibbs & Beatty's" limits, makes	184,320	829,440	414,720,000
Or, on these two limits alone	378,880	1,704,950	852,480,000

Add to the above the actual quantity on "Ullyot, Sadler & Company's" limits.....	85,000,000
And the total quantity on the limits probably is.....	937,480,000

The following is a statement of recent sales of pine lands and limits, taken from the Chicago "N. W. Lumberman," since 1st January, 1881:—

"1,000 acres of pine land in the State of Michigan recently sold for $18,000, or $18 per acre."

(See "N. W. Lumberman" of 23rd July, 1881.)

"4,280 acres of pine land in the State of Michigan, estimated to contain 35,000,000 feet. recently sold for $121,250, or upwards of $28 per acre, or nearly $3 50 per 1,000 feet stumpage."

(See "N W. Lumberman" of 23rd July, 1881.)

"640 acres of pine land in the State of Michigan recently sold for $20,500, or over $32 per acre."

(See "N. W. Lumberman," 23rd July, 1881.)

"Gilmour & Co., Ottawa, Ont., purchased at private sale, May 9th, 1881, a timber limit on the Mattawa River for $1,300 per square mile."

"Don J. Leathers of Grand Rapids, Michigan, recently purchased of B. Vesper, of Ionia, same state, 1,200 acres of pine land, situated in towns 26 and 27 north, range 3 west, on the Au Sable River, Crawford County, for $10 per acre."

"Cook & Waddell's timber limits on the Keepewa River, comprising four lots, were sold at auction in Ottawa, Ont., May 5th, 1881, for $167,360. One lot brought $1,300 per square mile."

"Hull & Watson, of Muskegon, Mich., sold to T. D. Stimson & Co., of Big Rapids, 2,200 acres of pine land for $101,000. The tract, it is estimated, will yield 70,000,000 feet."

The following statement of "sales of timber limits and pine lands made within the last few years in the Provinces of Quebec and Ontario, and in the State of Michigan," taken from the prospectus of "The British & Canadian Lumbering Company," show what prices were obtained within the last few years, even during depressed periods:—

(1). "Messrs. Cook Bros. sold 300 square miles of limits to Messrs. A. & P. G. Dodge, of New York, in the year 1871 for $200,000 or $666 per mile. These limits were in the District of Muskoka, being parts of the Townships of Ryde, Draper, Morrison, Rama, North. Orillia, Matchedash and Muskoka. At the time of sale five rafts of square timber had been taken off these limits equal in quantity to 500,000 cubic feet, or 5,000,000 feet board measure.

(2). "Messrs. A. & P. G. Dodge bought from Mr. Hotchkiss 200 miles of limits and a mill (the latter of little value) in the year 1872 for $300,000. These limits were also in the District of Muskoka, north of the Severn River.

(3). "The Government of Quebec sold at Ottawa in 1872, 71 square miles of timber limits on the River Ottawa for $90,500 or about $1,250 per mile.

(4). "The Quebec Bank sold 300 square miles of limits belonging to Hon. Mr. Skead, on the Upper Ottawa near River Madawaska, in September 1878, to McLauchlin Bros., Arnprior, and Boyd

Colwell of Carleton Place, for $180,000 or $600 per mile. These limits had been cut over for twenty years.

(5). "James Finlay of Beachburg, sold to Mr. Booth of Ottawa, 39 square miles of limits on the Upper Ottawa, just above Pembroke, and within Keepaway limits, for $55,000, or about $1,410 per mile. This sale took place in October 1878. These limits had been cut over for a considerable number of years.

(6). "Messrs. Cook Bros. sold a limit 15 square miles, near Bruce Mines and Sault St. Marie on the north shore of Lake Huron to Messrs. McArthur Bros. last year for $25,000 or over $1,600 per mile.

(7) "Messrs. Cook Bros. also sold a limit of 11 miles in the Muskoka District to Thomas D. Hood of Woodstock, in the Province of Ontario, for 11,000, or 1,000 per mile. This sale took place in September 1879. The limit was in the Township of Humphrey."

(8). "Messrs. Cook Bros. also sold the standing pine (red and white) on 200 acres, in the Township of Tiny, in the County of Simcoe, for $3,000 or $15 per acre. This sale took place in the year 1878. All the square Timber had been previously cut off this lot."

(9). "Messrs. Cook sold in the year 200 acres in the Township Medonte for $4,000, or equal to $20 per acre."

(10). Mr. H. Cook also sold the pine on 400 acres in the Township of Tossorantio, in the County of Simcoe, in 1879, for $4,000. This lot had at the time been cut over for rafting stuff for the past 12 years.

(11). "Messrs. Hill Bros., of Saginaw City, lately purchased of Messrs. Blanchard & Son, of Grand Rapids, 14,000 acres of pine lands in Montcalm County, Michigan, for $72,500, or at a price exceeding $50 an acre.

The following account of sales of lumber in the log is taken from the Chicago "N. W. Lumberman," and shews the price obtainable for lumber **in the log**:-

"An offer of $9 per 1,000 for 6,000,000 feet of pine logs was declined at Saginaw, Mich., May 6th, 1881."

"A sale of 8,000,000 feet of saw logs was made at Saginaw recently, at private terms, supposed to be $9, as the lot is a good one."

"Durant, Wheeler & Co., of Stillwater, Minn., sold, May 17th, 1881, 200,000 feet of logs at $14; 400,000 feet to Gardner & Batchelder at $8; 400,000 feet of lumber to the St. Croix Lumber Co. at $7 and $7.50; and 400,000 feet to other parties, for paving purposes, at $13.50."

The following account of sales of manufactured lumber show that the profit of $3 per 1,000 feet, estimated at page 5, is within the actual profit:-

"The Monetary Times of Toronto last spring quoted best clear and pickings, $28@30; dressing and cutting-up stuff, $15@18, and cull stuff $10 and upwards, according to length."

The cut of the Fenelon Falls Mills for 1880 was sold at Port Hope, F. O. B., at

For culls, per 1,000 feet	$8 50	
For shipping lumber, per 1,000 feet—part	13 25	
" " " " "	14 25	
Averaging all round		$13 75
Deduct freight and charges per 1,000 feet		1 75
Realized per 1,000 feet at the mills all round		$12 00
500,000 feet of Piece Boards of the **Fenelon Falls cut of 1881** sold at Port Hope, F. O. B., for		$14 00
Deduct charges as above		1 75
Realized per 1,000 feet at the mills		$12 25

The cut of "Ullyot, Sadler & Company," 10,000,000 feet, for 1880, was sold at Cobourg, F. O. B., at—

For shipping lumber, per M	$15 00	
For culls "	7 50	
Averaging all round		$13 75
Deduct freight and charges from Mill		1 05
Realized per 1,000 feet at the mill all round		$12 70

The cut of "Ullyot, Sadler & Co." for the year 1881 is about 13,000,000 of shipping lumber and 2,000,000 of culls, and has been sold so as to realize at at the mill all round, per 1,000, $12 75.

Two mills on Georgian Bay, about 25 miles from Collingwood, sold their entire cut for last season, being about 20,000,000 feet, at $12 per 1,000 feet at the mills.

"Henry Sherry, of Neenah, Wis., sold recently 5,000,000 feet of logs at $17 per M. Of this amount the Diamond Match Works, Oskosh, took 3,500,000 feet."

(N. W. Lumberman, July, 1881.)

PROSPECTUS

OF

THE MIDLAND

AND

NORTH SHORE

LUMBERING

AND

General Manufacturing Company.

[LIMITED.]

INDEX

Account of sales of Lumber in log	7
Account of sales of Lumber manufactured	7
Amount in money required to be raised	4
Amount of paid-up Capital required	4
Cost of manufacturing per 1,000 feet	5
Description of waters	2, 3
Detailed description of properties	
Ullyot, Sadler & Co	1
Smith & McDougall	2
Gibbs & Beatty	2
Properties consolidated	1
Purpose for which company formed	4
Proposed yearly cut	4
Quantity of Pine on Ullyot, Sadler & Co. limits	2
" " Smith & McDougall "	2
" " Gibbs & Beatty "	2
Recapitulation of limits	3
Statement shewing return in money	4
Statement of recent sales of Pine Lands and limits	6
Statement of recent sales from prospectus of B & C Lumbering Co	6
Statement shewing profit of $3 per 1,000 feet	5
The Peterborough Real Estate Investment Co. to be the financial agents	4
Total acreage	3
Total mileage	3
Total quantity of Pine	3, 5
Value of property in present shape	3
Value of property if properly worked	3

PROSPECTUS

INDEX